

JOHN D.'S OWN STORY.

STANDARD OIL MAGNATE TELLS OF HIS START.

Head of Great Combine Relates How His Company Has Attained Its Present Growth—An Interesting Witness.

New York, Nov. 18.—Relating his story with the air of a country gentleman of kindly mien entertaining a host of friends with incidents of days long past, John D. Rockefeller, president of the Standard Oil company, though for nearly 10 years retired from the active cares of company direction, for over two hours today reviewed the history of the early oil trade and the development of the first companies that later grew into the present so-called oil trust. Mr. Rockefeller was a witness for the defense in the suit to dissolve the Standard, which is being prosecuted by the United States government, and his appearance at the hearing before Former Judge Franklin Ferris, the referee, brought a large crowd to the customs building.

The head of the oil combine was surrounded by an imposing circle of counsel. Mr. Rockefeller appeared in complete ease, and when John G. Milbourn of counsel for the Standard propounded his first question, the witness spoke out in full tones. Mr. Rockefeller told of his start in the oil business and how under adverse conditions that business grew to the proportions of the Standard Oil Company of Ohio, with its capitalization of \$1,000,000. Mr. Rockefeller's eyes sparkled in reflection on that early financial organization, and, speaking of its million-dollar capitalization, with almost boyish enthusiasm, he said: "It seemed very large to us, who began with only \$4,000 in 1862."

Thus the proceedings lost in a sense their official aspect because of the engaging manner in which Mr. Rockefeller displayed in his answers, which now and then contained flashes of kindly humor. A glow of health showed in Mr. Rockefeller's smooth-shaven face.

Mr. Rockefeller was dressed in a plain business suit of dark material and across his vest was suspended a heavy gold watch chain. A dark purple necktie, in which a large pearl pin was set, snuggled close to a high collar.

The development of Mr. Rockefeller's testimony today, which carried him to the organization of the Standard Oil Company of Ohio, indicated that one of the lines of the defense would be that the Standard company is not the result of an aggressive policy to obtain a mastery of the oil trade, as charged, but rather the natural outcome of an economical development, which the exigencies of the oil industry demanded.

During a brief recess Mr. Rockefeller talked to the reporters on the Standard's growth, saying:

"What a wonderful thing it all has been—the growth of the business. It all seems like a dream to me, and here I am accused of doing the very wicked thing of selling a good article at a lower price than any one else."

"This testimony here today brings back to my mind so clearly early days in Cleveland, where we were all friends and neighbors together. How well I remember that day in Cleveland, when I went into the bank of T. P. Pady, who afterwards became one of my dearest friends. I wanted to borrow money, but I did not have any collateral nor any one to endorse my note. I told him what I wanted to do with it, and then he asked me how much I wanted. 'I need \$2,000,' I said, and got it. To that loan I attribute whatever success I have had in life since."

The first question put to Mr. Rockefeller by counsel brought out his name and residence.

"When was your first connection in the oil business?"

"About 1860 or 1862, not earlier than 1860 nor later than 1862. I was quite a young man—much younger than I am now."

"A copartnership was formed," said Mr. Rockefeller, "known as Andrews, Clark & Co., which operated at Cleveland, Ohio."

Mr. Rockefeller said the refinery was a small one and the copartnership continued until 1865, when it was dissolved. "I bought the business and the property and I organized the firm of Rockefeller & Andrews," he said.

"Did you continue in the refinery business?"

"Yes."

"Did your business increase?"

"Yes," said Mr. Rockefeller, "it increased steadily."

"What developments or changes in the company took place later?"

"Well, in 1866 there was a change. The firm was William Rockefeller & Co. The Rockefeller was William, my brother, and the 'company' was Rockefeller & Andrews."

Mr. Rockefeller said the refinery of this company was in Cleveland and that afterwards another company under the name of William Rockefeller & Co. was organized in New York. The same firm members that composed

ed the Cleveland company made up the New York company. "We had a steady growth and increase from the organization of the first firm in 1860 or 1862 until the organization of the Standard company."

"Let me ask you about the house which you established here."

"Yes, that was an advantage. It gave us an opportunity to learn foreign markets and the export trade. In New York we were enabled to secure larger sums of money at lower rates than in the West. We were always able to obtain large sums of money and I am thankful to say we always had good credit. We always kept our covenants and paid our bills."

Through the acquaintance made by William Rockefeller with wealthy men in New York connections were formed enabling the company to borrow large sums for the further extension of the business.

"Hard times came upon the oil trade early in the 70's," he said. "The business was much overdone because refineries had been erected so rapidly that the profit was much lessened."

When asked if coercive measures were employed in acquiring the stock of other oil companies in Ohio, Mr. Rockefeller replied: "None whatever."

He continued, "For myself I can say that the methods used always were absolutely fair."

"Did you have negotiations after the organization of the Standard Oil company of Ohio with other interests looking to their purchase?" Mr. Rockefeller was asked.

"Yes. We consummated negotiations for the then firm of Clark, Payne & Co. and the firm of Alexander Schofield & Co., which were next to us in size. There were other refining concerns of less importance which we purchased. These concerns were all in Cleveland."

"How did these negotiations arise?"

"In the natural way," said Mr. Rockefeller. "We were all friends and enjoyed our prosperity together. We recognized that changing conditions were lessening the chances of success. There were schemes floated on property of little value. Owing to the dissatisfaction with such concerns it was hard to obtain money."

"I think that three years later, in 1870, the Standard Oil Company of Ohio was organized, with a capital of \$1,000,000 and we enlisted much capital in the company."

Mr. Rockefeller said that to cope with changing conditions it was necessary to obtain capital and purchase the Cleveland companies, which, the witness said, enabled the Standard to borrow large sums of money by having associated with it many of its recognized friends.

"We realized," said Mr. Rockefeller, "that the larger company decreased the cost of production and increased the volume of business. The companies were purchased part in cash and part in stock of the Standard company."

"You had faith in the business, Mr. Rockefeller?"

"Oh, yes," he replied. "It was a ways considered a business risk, the refining of oil, and it's a very hazardous business today and not to be classed with banking or some railroad business."

The hearing adjourned with Mr. Rockefeller still on the stand.

The taking of Mr. Rockefeller's testimony will be concluded tomorrow.

New York, Nov. 19.—With the telling of the story of the first score of years of the industrial development of the Standard Oil company the testimony of John D. Rockefeller, president of the oil combine, on direct examination in the federal suit to dissolve the Standard company, was brought to an unexpected close this afternoon.

The head of the Standard told today of the processes and causes of the company's growth up to the trust agreement of 1882 and after identifying the parties to that agreement, counsel for the defense announced that Mr. Rockefeller had concluded his direct testimony, and requested an adjournment until tomorrow.

Friday will find Mr. Rockefeller on the witness stand under the sharp fire of the cross-examination of Frank B. Kellogg, special assistant attorney general prosecuting the case for the government. The cross-examination by the government will be generally confined to the period from 1862 to 1882, except where the testimony has direct bearing on the developments in the company's affairs in the latter period. Counsel for the Standard let it be known tonight that the history of the company from the trust agreement of 1882 would be told on the witness stand by John D. Archbold, vice president of the company, who is conversant with the combine's development.

Mr. Rockefeller's testimony today had to do practically with the acquisition of other refining companies, together with the concerns and pipe line systems, which, he declared, were necessitated by the natural growth of the Standard business.

Upon resuming the stand today, Mr. Rockefeller said that the oil business

was made a hazardous proposition because of the apprehension that the supply of crude oil would become exhausted. He then recalled the organization of a producers' union in the 70's, about the time of the agitation of the South Improvement company. This led, he said, to an association of oil refiners, who were desirous of having a supply of crude oil which was not controlled by interests antagonistic to them. He said that in December, 1872, the Producers' union and the Refiners' association entered into an agreement "to secure as high a price for crude oil as possible."

The agreement did not last long, he said, because the Producers violated it by selling crude oil under the fixed price.

Mr. Rockefeller said his attention first was directed to lubricating oil about 1876. About 1878 the Standard Oil company purchased the American Lubricating Oil company of Cleveland and the Mica Axle Grease company with the idea of further diversifying the business and secure a lubricating trade.

Mr. Rockefeller referred to the Empire transportation company, which owned cars, transported oil and other products over the Pennsylvania railroad and engaged in the refining of oil. It was understood that this company was controlled by the Pennsylvania, and other roads, fearing that a loss of their oil trade would follow, began cutting rates heavily.

"Our interests stopped our shipments over the Pennsylvania and used other lines," he said. "We objected to the Pennsylvania railroad's engaging in the refining business. They were shipping their own oil over their own lines and discriminating against us. Other railroads agreed to stand by us, but there was much bitterness between the railroads. Afterwards we purchased the Empire Transportation company and its pipe lines."

He denied that the rates obtained by him during the period of the Standard Oil company's war with the Pennsylvania railroad were to crush and cripple the Empire Transportation company so that the Standard Oil company might acquire its property.

Mr. Rockefeller said that when the Pennsylvania railroad stopped refining the railroad was stopped and an agreement was entered into between the roads whereby they obtained a percentage of the oil carrying trade. The war between the railroads to obtain the oil trade had been demoralizing to the oil business.

Mr. Rockefeller's attention then was called to an agreement between William Rockefeller and Thomas Scott, president of the Pennsylvania railroad, which had been approved by all the oil carrying railroads.

Mr. Rockefeller said that the company guaranteed the Pennsylvania railroad a certain number of barrels of oil a year and in consideration the railroad guaranteed to pay back 10 per cent. of the rate on oil rate.

Mr. Rockefeller said that the Standard began acquiring pipe line interests in 1873 and increased its ownership from time to time until 1877, when they were assembled into the United Pipe Line. The Standard also had the American Transfer pipes. He said that all the purchases to which he referred were made by the Standard Oil company of Ohio and that the money was taken from its treasury.

A trust agreement made in 1882 affecting the stockholders of the Standard Oil company of Ohio and Vilas, Keith & Chester, as trustees, was put in evidence. Attached to it were contracts made with the Erie and New York Central Railroad companies.

Mr. Rockefeller was shown a pooling contract for the distribution of oil carrying between different railroads, fixing rates on refined and crude oil and containing a provision for "drawbacks" to refiners for certain shipments to the seaboard. The witness said the contract was drawn to put the different refining points on a parallel.

"The effect of this agreement was that it would cost the man in Cleveland no more to ship refined oil to seaboard than a shipment made from any other point. It also assured refiners that the same rates for shipment would be alike on all lines," said Mr. Rockefeller.

An interesting sidelight on Mr. Rockefeller's presence at the hearing today was his chat with the reporters during the intermission about his health. He said: "When I was a young man I used to work day and night, but I never forgot that I had a stomach. You can work long hours if you are careful about what you eat. I was always careful about what I put into my stomach, and today I have cause to be very grateful for it. I never felt in better health than today, as a result of rigidly adhering to a policy of a careful diet when I was a boy. I advise any one who wants to keep his health to do the same. Then when you young men get to be 70 years old you will be able to keep up your work."

"I never felt better in my life than I do now. For the last 20 years I have kept out of doors as much as possible, and to that practice, coupled with a careful diet, I attribute my excellent health."

New York, Nov. 20.—For over five hours today John D. Rockefeller, witness for the defense in the government suit to dissolve the Standard Oil company, faced an uncovering fire of questions from the federal counsel, Frank B. Kellogg, and when adjournment was taken until Monday he was still being cross-examined on the charge that the company in early days accepted rebates to the disadvantage of its rivals.

The enormous power of the oil combination was sharply brought out today when Mr. Rockefeller, after stating that the Standard had paid dividends amounting to \$40,000,000 in 1907, said it earned as much more and that this was added to the company's surplus, which was stated by the government's counsel to be \$300,000,000. It was further stated by Mr. Kellogg that the company within the last eight years has earned over half a billion dollars.

The rapid fire interrogations of the prosecutor were always met with unshaken imperturbability and readiness to answer, except when, as Mr. Rockefeller explained, "it is quite impossible for me to remember after 35 years, I do not recall."

Mr. Rockefeller was questioned closely regarding rebates which the Standard was charged with receiving but with the exception of the agreement with the Pennsylvania railroad, which, Mr. Rockefeller explained, gave the Standard a rebate because it effected an equalization of oil shipments, Mr. Rockefeller could not recall any other rebates, though he thought it was likely that he might have heard of it at the time.

"You have been prosperous since the beginning?" asked Mr. Kellogg of Mr. Rockefeller when the latter resumed his testimony.

"Yes."

He was asked about the trust agreement of 1882 and whether the trust certificates did not show a value of \$70,000,000 and the stocks held under the agreement an actual value of \$55,716,698. Mr. Rockefeller said he believed those figures were correct.

"The record shows that up to 1906 the net earnings of the company were \$551,922,904. What was the dividend in 1907?"

"I should say about 40 per cent."

"That was about \$33,000,000?"

"That would be a million in favor of the poor old Standard," said Mr. Rockefeller. He added that the net earnings for 1907 were approximately \$80,000,000.

He assented to Mr. Kellogg's figures showing that the company earned \$490,000,000 from 1899 to 1906. Adding the earnings of 1907 would give a total earnings of \$570,000,000.

"Then where does the hazard of the business come in?" asked Mr. Kellogg. "In the first place, since the first refinery was built more than 50 years ago, we have been prepared at any moment day or night, to hear the alarm. We are dealing with a very explosive product. Fires are constantly occurring."

"But your profits were above you fire losses, which have been charged to profit and loss account?"

"Yes, sir."

Mr. Kellogg then asked Mr. Rockefeller about the Standard Oil agreement with the Pennsylvania railroad in 1877, in which the Pennsylvania agreed to pay back 10 per cent. of the freight sales which the Standard paid. The witness said this agreement followed the rate war between the northern and the southern lines and that this was an agreement whereby he was to equalize the amount of freight distributed between the different railroads.

Replying to a question whether the Standard Oil company was the only one to get the rebate, the witness said that the greater volume of business given by the Standard was given in part for the rebate and in those days it was the custom for large shippers to receive consideration.

"Did you know of the contract whereby the Standard was to obtain 20 cents a barrel in rebate on outside shipments?"

"I may have known of it generally at the time. I had nothing to do with the contract."

The witness said he could not recall whether Mr. Cassatt had testified that these rebates were paid to the American Transfer company.

Mr. Rockefeller said he had no doubt that the State of Pennsylvania brought suit in 1879 to oust the United Pipe Line company from that State on the ground that it was in conspiracy with the Pennsylvania railroad to obtain preferential rates and drawbacks. He could not recall that Mr. Cassatt testified that the Pennsylvania railroad paid rebates to the Standard Oil company, the American Transfer company and the United Pipe Line company.

Mr. Rockefeller's attention was called to the agreement with the South Improvement company and the rates provided therein for rebates on oil.

"Is it not a fact that to all other parties, according to this agreement, were to be charged the full gross rate?"

"Probably so."

"Were you a stockholder of the South Improvement company?"

SNOWDRIFT

HOGLESS LARD

By every test the very best! Why? Because it's refined by our own exclusive Wesson process, ensuring the wholesomeness of Nature with the purity of science,—the satisfactory combination of Nature and art in manufacture. No other cooking-fat is anywhere near so good, because none other can contain the best of Nature purified by the Wesson process. All other cooking-fats must be inferior.

THE SOUTHERN COTTON OIL CO.
NEW YORK SAVANNAH ATLANTA NEW ORLEANS CHICAGO.

Kodol

Stops Indigestion

Sour Stomach, Heartburn, Belching, Gas on Stomach.

Go to your druggist, get a dollar bottle of Kodol.

And if you can honestly say that you did not receive any benefit from it after using the entire bottle, the druggist will refund your money to you without question or delay.

We will then pay the druggist the price of the first bottle purchased by you.

If you knew as well as we do how good a preparation Kodol is, it would be unnecessary for us to guarantee a single bottle.

But to let you know how good it is, as well as we know, we will practically purchase the first bottle for you.

We know there are thousands of persons who suffer from indigestion and dyspepsia who would be grateful to us for putting them in touch with Kodol.

That is why.

FOR SALE BY ALL DRUGGISTS.

Furthermore, we know that after you have used Kodol your faith in the preparation will be equal to ours.

This proposition we make is not altogether unselfish, but is actuated by the knowledge that the use of Kodol by you will benefit you as well as ourselves.

How could we afford to make such an offer to the public.

And how could we afford to spend thousands of dollars to tell you about it unless we positively knew and were sure of the merits of Kodol.

We couldn't—it would bankrupt us.

Please try it today at our risk.

Kodol digests all the food you eat. Eat what you want and let Kodol digest it.

Kodol is made at the laboratories of E. C. De Witt & Co., Chicago.

The \$1.00 bottle contains 24 times as much as the 50c bottle.

The D. A. Rs Are W' In Us

And an unusual air of interest in things historical pervades the community. Among other things we are reminded of how young our country is. Its youth is obscured by the remarkable progress and achievement which has been made. But we are yet young and have particularly in the South growing tasks to perform. If you are patriotic you will keep your money deposited in a bank that it may be continually in the arteries of trade.

We invite your account.

THE Bank of Sumter.

"I never received the certificates as far as I can recall."

"You spoke yesterday of a pool agreement among several railroads for dividing up traffic and freight rates in 1874. So the rates from Cleveland to seaboard were the same as from oil points in Pennsylvania to the seaboard?"

"Yes."

"And the roads carrying crude oil to the seaboard were required to pay a drawback of 22 cents a barrel to the shipper if the rates on the agreed pigage to the shipping points of the railroad be maintained?"

"Yes."

Mr. Kellogg then sought to show that all the pipe line companies to the agreement were subsidiary companies of the Standard.

"We had an interest in some, but not in all," said Mr. Rockefeller.

"You testified yesterday of the stockholders of the Standard Oil company from 1872 to 1879 obtaining interests of stocks of other refining companies. The company of Charles Pratt and H. H. Rogers was acquired by you in 1874?"

"Yes. We bought the entire concern with the funds of the shareholders of the Standard company or the capital shares of the Standard. Mr. Pratt and Mr. Rogers gave up the Pratt stock and later became partners of the Standard."

"Did not Mr. Pratt and Mr. Rogers receive salaries for their work?"

"I believe they did."

Adjournment was then taken until Monday.

*Peas Laxative Cough Syrup always brings quick relief to coughs, colds, hoarseness, whooping cough and all bronchial and throat trouble. Mothers especially recommend it for children. Pleasant to take, gently laxative. Sold by Sibert Drug Co. Sept-3m

In some oriental countries vaccination has been practiced for over a thousand years.

*Winter blasts, causing pneumonia, pleurisy and consumption will soon be here. Cure your cough now, and strengthen your lungs with Foley's Honey and Tar. Do not risk starting the winter with weak lungs, when Foley's Honey and Tar will cure the most obstinate coughs and colds, and prevent serious result. W. W. Sibert.

There are plenty of dumb waiters, but who ever saw a dumb barber?—Atlanta Constitution.

How is Your Digestion?

*Mrs. Mary Dowling of No. 228 8th avenue, San Francisco, recommends a remedy for stomach trouble. She says: "Gratitude for the wonderful effect of Electric Bitters in a case of acute indigestion, prompts this testimonial. I am fully convinced that for stomach and liver troubles Electric Bitters is the best remedy on the market today." This great tonic and alterative medicine invigorates the system, purifies the blood and is especially helpful in all forms of female weakness. 50c. at Sibert's Drug Store.